GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department – Amendment to "Textile &Apparel Policy2015-2020" for setting up of New Textile Industries issued vide G.O. Ms.No.32,Industries & Commerce(IP&INF) Department, dated: 29.04.2015 - Orders- Issued.

INDUSTRIES & COMMERCE (POLICY & INVESTMENT) DEPARTMENT

G.O.MS.No. 23 Dated: 29-01-2016

Read the following:-

1. G.O. Ms. No.32, Industries & Commerce(IP&INF) Department, dated: 29.04.2015.
2. A.P.Spinning Mills Association representation dated 04.08.2015.
3. Request of M/s.Texport Industries Private Limited letter dt:07.09.2015
4. Request of M/s. Tarakeswara Textile Park Private Limited letter dt:07.11.2015.
5. Empowered Committee of Secretaries Meeting held on 09.11.2015.
6. State Investment Promotion Board Meeting held on 17.11.2015.

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O R D E R:

In the G.O. 1st read above, Government has issued "Textile & Apparel Policy 2015-2020" with an aim to diversify the Spinning activity to Weaving, Processing and Garmenting for better utilization of locally available raw material for value addition within the State and to provide large scale employment to local people, women and skilled worker. The policy provides for host of incentives for setting up of New Textile Industries in the State.

2. In the references 2nd to 4th read above, the Andhra Pradesh Spinning Mills Association and other Textile Industries have requested the Government to delink the Interest subsidy provided under the Textile and Apparel Policy 2015-2020, @ 8% per annum for Weaving (with or without preparatory) Dyeing & Processing, Knitting, Garment/Made-ups Machine Carpeting, Machine Embroidery, technical textiles and any other activities/process like crimping, texturizing, twisting, winding, sizing etc. within the Textile value chain and up to 7.5% for Spinning & modern Ginning from the TUFS scheme of the Government of India, as is done by the Maharashtra Government. This apart, the Textile industries, especially Garment Industries are requesting reimbursement of the expenditure incurred towards the employer's contribution towards ESI & EPF.

3. In the references 5th and 6th read above, the issues were discussed in the Empowered Committee (EC) and State Investment Promotion Board (SIPB) meetings. The State Investment Promotion Board (SIPB) after careful examination of the proposal took the following decisions:

(a) De-linking of the interest subsidy component provided in the Andhra Pradesh Textile and Apparel Policy 2015-20 from the TUFS scheme of the Government of India, subject to the condition that the interest subsidy availed should not exceed (12.5) %, in case the unit avails interest subsidy under the TUFS scheme and which shall be verified and certified by the concerned General Manager, District Industries Centre

(b) To give the facility of an option to the garment industries to either opt for the interest subsidy as provided in AP Textile & Apparel Policy 2015-20 or the (50) % reimbursement of the expenditure incurred towards the employer's contribution towards ESI & EPF. This facility will be available to the garment units with an investment size of Rs. (125) crore or providing direct employment to (1000) persons. The SIPB recommended to the Government to make a general amendment to the AP Textile and Apparel Policy 2015-20.

(P.T.O)

4. Government after careful consideration of the matter hereby make the following amendment to the Textile and Apparel Policy 2015-20 issued vide G.O. Ms. No.32, Industries and Commerce (IP & INF) Department, dated 29.04.2015:

A M E N D M E N T S

I. In the said orders, for paragraph5.1.2, the following shall be substituted, namely:-

"5.1.2.The interest subsidy will be capped at 12.5% taking into account assistance from all sources, in case the unit avails interest subsidy under the TUFS scheme and which shall be verified and certified by the concerned General Manager, District Industries Centre. Interest subsidy will be for 7 years which will include 2 years of moratorium. Further, in case of garment industries with an investment of Rs.125 Crore or creating employment to 1000 people directly, an option will be provided either to opt for interest subsidy as per Andhra Pradesh Textile and Apparel Policy 2015-20 or 50% reimbursement on expenditure incurred on account of employer's contribution towards ESI & EPF".

II. In Annexure-1, in entry 6 (General Incentives),

(1) In sub entry 1, for sub heading "Interest Subsidy on long term loans linked to Centrally Sponsored TUFs scheme", the sub heading"1.Interest Subsidy on long term loans" shall be substituted.

(2) for sub entry (1)(b)(x) the following words shall be substituted, namely:-

"The amount of interest subsidy due to the unit under the Central Government's TUF scheme, shall be deducted to arrive at the interest subsidy admissible, in case the unit avails interest subsidy under TUF Scheme".

(3) Sub entry (1)(b)(xi) shall be omitted.

5. The Director of Industries, Andhra Pradesh, Hyderabad shall take necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.S.RAWAT
SECRETARY TO GOVERNMETN AND
COMMISSIONER FOR INDUSTRIAL PROMOTION

To
The Director of Industries, Andhra Pradesh, Hyderabad.
The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation, Andhra Pradesh, Hyderabad.
The Commissioner of Handlooms and Textiles, Andhra Pradesh, Hyderabad.
The Managing Director, Andhra Pradesh State Finance Corporation, Hyderabad.
Copy to:
The Principal Secretary to Government, Social Welfare Department.
The Principal Secretary to Government, Tribal Welfare Department
The Revenue (CT/LA) Department.
The Irrigation & CAD (Reforms) Department.
The Energy, I&I Department.
The LET & F (Employment) Department.
The Law (H)Department.
The Finance (EBS.VIII) Department
The Accountant General, Andhra Pradesh, Hyderabad
The Convener, State Level Banker's Committee, through the Director of Industries, A.P. Hyderabad.
The General Manager, Small Industry Development Bank of India, (SIDBI),101, 1st Floor, Hermitage Complex, Saifabad, yderabad.
The Pay and Accounts Officer, Hyderabad.
All District Collectors through Director of Industries, Hyderabad.
All Heads of Departments through Director of Industries, Hyderabad.

(Contd.)

All Departments of Secretariat.
All Govt. Companies/Corporations through Director of Industries, Andhra Pradesh, Hyderabad.
The P.S. to Spl. Secretary to Chief Minister.
The P.S. to Chief Secretary to Government
All Private Secretaries to the Ministers.
All General Managers, District Industries Centre in the State through Commissioner of Industries, Hyderabad.
All Sections in the Department.
S F/SC.

//FORWARDED :: BY ORDER//

SECTION OFFICER